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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

TRADE AND DEVELOPMENT BOARD

Thirty-seventh session, first part

OFFICIAL RECORDS

Supplement No. 5

Report of the Committee on Shipping

on its fourteenth session
(21-29 June 1990)

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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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For the recommendations, resolutions, declarations and decisions adopted by the United Nations Conference on Trade and Development, see:

First session: *Proceedings of the United Nations Conference on Trade and Development*, vol. I, *Final Act and Report* (United Nations publication, Sales No. 64.II.B.11), pp. 18-65;

Second session: *Proceedings of the United Nations Conference on Trade and Development, Second Session*, vol. I and Corr.1 and 3 and Add.1 and 2, *Report and Annexes* (United Nations publication, Sales No. E.68.II.D.14), annex I, A, pp. 28-58;

Third session: *Proceedings of the United Nations Conference on Trade and Development, Third Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.73.II.D.4), annex I, A, pp. 53-114;

Fourth session: *Proceedings of the United Nations Conference on Trade and Development, Fourth Session*, vol. I and Corr.1, *Report and Annexes* (United Nations publication, Sales No. E.76.II.D.10), part one, sect. A, pp. 6-43;

Fifth session: *Proceedings of the United Nations Conference on Trade and Development, Fifth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.79.II.D.14), part one, sect. A, pp. 6-50;

Sixth session: *Proceedings of the United Nations Conference on Trade and Development, Sixth Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.83.II.D.6), part one, sect. A, pp. 6-40;

Seventh session: *Proceedings of the United Nations Conference on Trade and Development, Seventh Session*, vol. I, *Report and Annexes* (United Nations publication, Sales No. E.88.II.D.1), part one, sect. A, pp. 6-27.

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INTRODUCTION

1. The Committee on Shipping held its fourteenth regular session at the Palais des Nations, Geneva, from 21 to 29 June 1990. In the course of its session the Committee held four plenary meetings. The present report contains a succinct account of its proceedings.

Chapter I

GENERAL STATEMENTS

2. The Deputy Secretary-General of UNCTAD observed that the current session was convening amid very eventful international economic and political developments, practically all of which affected the shipping industry, directly or indirectly. He referred to the profound political and economic transformations in the countries of Eastern and Central Europe and the extensive restructuring and current efforts better to integrate their economic and social structures and foreign trade with the world economy. The increasing preoccupation at national, regional and international levels with global environmental concerns was likely to constitute one of the major issues for the 1990s. The continuing weakness and instability in major commodity markets and the crippling debt burden continued to have a profound negative effect on the economic and social development of a large number of developing countries and regions.

3. The outcome of the GATT negotiations under the Uruguay Round would be of considerable interest to the shipping industry, both as regards the traditional trade in goods issues and in respect of the ongoing deliberations on services, which could possibly include shipping. Moreover, the decisions taken at the Second United Nations Conference on the Least Developed Countries (Paris, September 1990) and UNCTAD VIII in 1991 would undoubtedly affect the world shipping industry.

4. Explaining why emphasis in the agenda was placed on multimodal transport, he said such transport was becoming the preferred way of transporting general cargoes and today few liner cargoes continued to move on a traditional liner shipping basis. So far, developments had taken place mainly in the North-North trades, but sophisticated multimodal transport operators were now extending their physical distribution networks to the North-South trades as well. It was important that developing countries' transport operators have equal opportunity to offer such door-to-door transport services. There was indeed a risk that transport operators of developing countries, if they did not succeed in participating in these technological developments, would see themselves increasingly marginalized in multimodal transport operations.

5. Given that this subject was technical, and analyses of the possible impact of developments in this field were therefore complicated, he drew attention to the secretariat proposal that the Commitee consider setting up an ad hoc group of experts to consider multimodal transport issues which should provide for the full representation of expertise from developing countries.

6. He invited the Committee to decide on its new programme of work on multimodal transport and containerization, and to provide guidelines to the secretariat on the priorities.

7. Turning to another major agenda item on the agenda - economic co-operation among developing countries in the field of shipping, ports and multimodal transport - he referred to the recommendations of the Group of Experts which had met in Geneva in June 1989. He strongly believed that there was both an urgent need as well as great potential for ECDC among developing countries - and regions - which needed to be considerably further exploited.

8. As to the future work programme, he drew attention to the extensive efforts by the Shipping Division in the area of technical assistance to the developing countries in the field of shipping, multimodal transport and related activities, including maritime training, and pointed out that the secretariat looked forward to deliberations in the Commitee and guidance in this respect.

9. Immediately after the current session, a two-day meeting would be convened for informal consultations on the rules of procedure for the Review Conference on the United Nations Convention on a Code of Conduct for Liner Conferences with a view to reaching a final conclusion. Provisional arrangements had been made for a resumed session of the Review Conference to be convened in November 1990 if agreement on the rules of procedure was reached during these consultations.

10. The Director of Shipping Division drew attention to the problem of multimodal transport, and highlighted three specific issues, the first being that of small companies in developing countries that had paractically no possibility of competing with huge organizations that employed the latest electronic inventions and could keep customers informed of the whereabouts of their cargoes 24 hours a day. It was difficult to ensure that the market concentration in the leasing industry would not result in restrictive business practices. It was natural that the developments should give rise to concern, particularly in developing countries, but the worst thing that could happen would be for countries to begin erecting entry barriers. Consequently, it was important for the Committee to propose policy measures to Governments, for example on harmonization of rules and regulations for freight forwarders and multimodal transport operators, and to encourage the earliest introduction of electronic data interchange among all partners in international transport and trade.

11. A second issue of concern was related to the competitiveness of multimodal transport operators in developing countries, namely, the lack of minimum standards for multimodal transport operators and of standards in the freight forwarding industry.

12. The third issue was the secretariat's suggestion to create a special group to deal exclusively with multimodal transport issues and inter alia, the technical aspects. This would allow Governments to select delegations composed primarily of specialists. On the basis of UNCTAD experience, he suggested an open-ended ad hoc intergovernmental group of experts, similar to the existing IGG on ports, as the most convenient type of group for the above-mentioned purposes.

13. As to economic co-operation among developing countries in the field of shipping, ports and multimodal transport - he recalled that the group of experts that had met in Geneva in June 1989 had produced a set of 19 recommendations. These related to four specific areas - (i) operational activities; (ii) maritime training; (iii) policy matters; and (iv) institutional structures - and were recommended to the Committee for adoption.

14. Reviewing the reports on the future work of the Committee, he drew particular attention to several intergovernmental meetings. On port problems, he pointed out that technological developments had changed the construction, layout, cargo-handling equipment, manpower requirements and location of ports. These changes required considerable investment by port organizations in developing countries in infrastructure, equipment and especially, human resource development. These subjects would be examined by the intergovernmental group of port experts in September 1990. The Committee on Shipping might decide to discuss port matters more extensively at its fifteenth session. Meanwhile, the secretariat would continue to implement existing mandates.

15. As to maritime legislation, the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects had completed its work on maritime liens and mortgages with a recommendation for the convening of a diplomatic conference. He invited the Committee to take note of the Group's report (TD/B/C.4/327) and endorse its recommendations. The Legal Committee of IMO would also consider this matter in September 1990. He noted that the Working Group on International Shipping Legislation would be convened in October 1990 to consider the subject of charter-parties.

16. Provisional arrangements had been made by the secretariat for a resumed session of the Review Conference on the United Nations Convention on a Code of Conduct for Liner Conferences in November 1990. This would depend on the outcome of the informal consultations on the rules of procedure to take place on 2 and 3 July.

17. The spokesperson for the Group of 77 (Philippines) noted that the problem of overcapacity that had figured prominently on the agenda of the last sessions had diminished but still merited further consideration. She stated, however, that other structural problems had evolved in all sectors of the shipping market that were undermining the continued effective participation of developing countries in world shipping. As an example of such developments she cited the technological developments and accompanying organizational changes in liner shipping and multimodal transport. Consequently, the Group of 77 considered it necessary that elements of a new strategy be developed that would reconsider the role of developing countries in the provision of maritime transport services and that would ensure their adequate participation in the medium and long term.

18. The Group of 77 was convinced that the Shipping Committee of UNCTAD was the appropriate venue for finding the necessary solutions to the problems facing developing countries and their shipping industry, and to give new impetus to the development of this important sector, so that it could once more play the role of a catalyst for trade and be an important tool in the integration of developing countries in the world economy. The Group of 77

therefore proposed that the Committee request the secretariat to analyse ongoing structural and technological developments in world liner and bulk shipping and multimodal transport, in close consultation with experts of the maritime community, and to elaborate necessary and adequate proposals that would ensure effective participation of developing countries in world shipping and report thereon to the fifteenth session of the Committee.

19. The Group of 77 believed that, while the policy principles established during the 1970s and 1980s should not be discarded, their application, however, be reconsidered in the context of a new strategy bearing in mind the changes in service qualities and structures of the shipping markets. The new policy approach should be a coherent one relating to all shipping markets and should, inter alia, cover issues relating to the reduction of the technology gap between developed and developing countries, privileged access to cargo in the various shipping markets, as well as to information, production factors and ship finance.

20. Turning to agenda items 3 and 4, she cited developments and issues for developing countries in the multimodal sector. These were the extensive use of electronic data processing (EDI), the transfer of this technology to developing countries and possible existence of barriers to market entry and of restrictive business practices by developed country operators.

21. With regard to ECDC, she recalled the Declaration on International Economic Co-operation and stressed the need for strengthening ECDC in shipping, ports and multimodal transport. In this connection her Group considered that the 19 recommendations prepared by the Group of Experts on ECDC and contained in the report TD/B/C.4/311, would, when applied, result in progress in solving the structural problems in shipping faced by the developing countries.

22. As to the work programme of the Committee, she recalled the difficulties in compiling the terms of reference for establishing secretariat activities on the protection of shippers' interests. The Group of 77 appreciated the information provided by the UNCTAD report TD/B/C.4/332 on the experiences of freight rate negotiations, which would be of assistance to shippers in developing countries in their negotiations with liner conferences. Similarly, she appreciated the continued publication of the annual Review of Maritime Transport and its usefulness to developing countries. She stressed the importance of the Liner Code to the Group of 77 and expressed her Group's hope that the two-day informal consulstations on 2-3 July 1990 on the Rules of Procedure for the Liner Code Review Conference would be successfully concluded, thus allowing the Review Conference to resume later during the current year. She also stressed that her Group attached great importance to technical assistance and urged the Committee to take the necessary decisions for the continuation and extension of such programmes, in particular TRAINMAR, IPP and JOBMAR.

23. The spokesman for Group B (United Kingdom) noted the recent improvement of the balance between supply and demand in world shipping, which was closely connected with the growth of international trade, and pointed out that there were positive signs of real growth in world trade and all parts of the fleet entered the 1990s with optimism. This positive atmosphere was reflected in the expansion of fleets of developing countries.

24. Development of economic co-operation among developing countries in the field of shipping, ports and multimodal transport was a concrete step towards an increased competitive position for fleets of developing countries. Group B would therefore lend its support to those recommendations which would achieve this objective, although it had difficulties with some of the accompanying rationale and was looking forward to an exchange of views within the Committee.

25. On the question of multimodal transport, Group B viewed the work by the UNCTAD secretariat (an inventory of existing mandates and a description of the secretariat's action on them) as a satisfactory model for similar documents on other subject matters. However, Group B was not convinced that the available documentation helped to advance the substantive issues. Group B believed that the common objective should be to assist developing countries in the operation of multimodal transport in a practical way and not in a vacuum. Group B felt that there were a number of practical aspects on which discussions need to be focused.

26. Group B did not believe in the setting up of an expert working group on multimodal transport and technological developments on a permanent basis, and was generally opposed to the establishment of any new subsidiary body. The establishment of such a permanent body had budgetary implications not only for UNCTAD but also for national delegations. Multimodal issues had to be discussed within the existing framework of the Committee on Shipping. Referring to document TD/B/C.4/315 Parts I and II, he said that the substantive conclusions reached by the secretariat were unlikely to be accepted by all Governments, as a number of Group B countries had strong reservations concerning some of the findings, in particular, on the uniform system of liability concerning localized damage, as well as the public law aspects contained in Article 4 of the Multimodal Transport Convention.

27. He welcomed the information in "Protection of Shipper Interests - Experiences in freight rate negotiations" (TD/B/C.4/332) and pointed out that Group B endorsed any recommendation for conferences and shippers' organizations to consult over commercial matters, including the calculation and imposition of surcharges.

28. Expressing support for the Technical Assistance and Training Programmes, he noted that the secretariat had now provided the Committee with some detailed information related to its technical co-operation programme in TD/B/C.4/331 and Addendum. He also noted that the number of reports prepared by the secretariat for the current session of Committee was large and the documentation itself was almost too voluminous.

29. The spokesman for Group D (USSR) pointed out the importance of the activities of UNCTAD and its Committee on Shipping in the solution of essential problems facing the international maritime community. International co-operation in the framework of UNCTAD and the Committee on Shipping remained the only way for orderly development of the world transport system in conformity with the demands of the international division of labour and world trade.

30. He hoped that the current session would contribute to the creation of a more effective transport system on the basis of advantages of different types of transport. He noted that such a system could not be created without development of multimodal transport. The UNCTAD secretariat had generally

fulfilled its mandate concerning multimodal transport problems but, given the dynamic environment, this work should continue. He invited the secretariat to conduct a number of seminars dealing with multimodal transport operations in interested member States of UNCTAD.

31. Economic co-operation among developing countries in maritime transport was essential for all fields of the economy, and Group D considered it an important matter for the Committee. Furthermore, his Group supported the recommendations by the Group of Experts (TD/B/C.4/324) but suggested that the question of direct co-operation in individual cases should be considered by the regional commissions and other international organizations. This would avoid unnecessary duplication of work and enable UNCTAD to use its staff and financial resources more effectively. Group D was ready to continue economic assistance to developing countries in maritime transport in line with the above recommendations of the group of experts.

32. He expressed satisfaction with the global improvement of the situation in world shipping that had resulted from the efforts of the international maritime community. However, Group D was concerned with certain symptoms of possible disequilibrium between supply and demand in world shipping and called on member States to show reasonable prudence in planning the development of their merchant fleets. He asked the secretariat to continue to monitor the situation in world shipping and report regularly to the Committee.

33. Turning to the activities of the secretariat, he supported the Work Programme (agenda item 5). He welcomed the preparation by the Joint UNCTAD/IMO Intergovernmental Group of Experts of a draft text of a Maritime Liens and Mortgages Convention and suggested that the Committee support the convocation of the diplomatic conference.

34. With regard to technical assistance to the developing countries, he said that within its existing resources, the secretariat should continue its efforts, with priority given to the most essential projects. Group D agreed with the proposal of the secretariat to discontinue publication of the Shipassist directory.

35. The representative of China stated that, in spite of increasing demand for world shipping, and reduction of laid-up tonnage, since the previous session of the Committee, the long-term imbalance of supply and demand still existed. The persistence of this problem made it desirable to avoid any new imbalance, especially in the container shipping sector.

36. In the field of multimodal transport, China was making efforts that were complementary to its own environment. Moreover, given the gap in development of multimodal transport between developing and developed countries, it was essential that multimodal transport was seen as a main item for deliberation at the current session.

37. With regard to ECDC, China had always stressed the development of economic co-operation among developing countries in the areas of shipping and multimodal transport. This was important because of insufficient capital, practical experience, and modest levels of management organization in developing countries.

38. It was China's view that multifaceted co-operation should be encouraged among the developing countries and between them and the developed countries on the basis of equality, mutual benefit and friendly association.

39. He observed that conditions and direct interest of developing countries should be fully taken into account in the improvement and development of container standards, and that technical assistance and training activities should be continued and further developed.

40. The representative of the International Maritime Organization referred to the consideration given at the IMO Council and the IMO Legal Committee to the successful outcome of the deliberation of the joint IMO - UNCTAD Joint Intergovernmental Group of Experts on Maritime Liens and Mortgages. He explained that both IMO bodies had had to postpone a decision on the recommendation by the Group to convene an international conference to consider a draft convention on maritime liens and mortgages. This postponement had been decided to allow for consultations among the relevant bodies and authorities in each country.

41. As to the IMO co-operation with UNCTAD as well as other international bodies in matters of relevant significance for international shipping, he mentioned the work of the joint ILO/IMO/UNCTAD working group in charge of reviewing and co-ordinating the technical co-operation programmes of the three organizations in the field of port training. He also referred to IMO work in the field of safety of containers and its importance for the maritime and multimodal transport.

42. Referring to the IMO's work in the implementation of Electronic Data Interchange (EDI), he said that IMO had produced an Electronic Data Interchange Marine Manual (EDIMAR) with the purpose of translating into electronic data the IMO standard forms for ship clearance. Consultations were being held to ensure conformity of EDIMAR with the United Nations standards of Electronic Data Interchange for administration, commerce and transport (EDIFACT). He emphasized the need for co-operation and consultation between IMO and UNCTAD on this matter.

43. The representative of the International Federation of Freight Forwarders (FIATA) emphasized that multimodal transport was primarily an organizational matter rather than one of having a certain amount of capital, a large number of staff, containers, trucks or ships, etc. Transport could be divided into two parts: physical transport and organization of transport. As part of their business, freight forwarders looked after the latter to optimize transport. He stressed that the organization of transport was mainly brain work, that freight forwarding was a knowledge-based service industry, and that the freight forwarder was the ideal partner of the shipper.

44. Referring to document TD/B/C.4/324, he said that the establishment of general minimum standards for MT operators in developing countries might be counterproductive. It was more appropriate to propagate existing and proven transport documents rather than to consider the drafting of new ones. He agreed that no barriers to enter the international transport market should be introduced or allowed to exist for freight forwarders in any country acting as multimodal transport operators. He expressed doubts on the international role

of an association of MTOs outside FIATA and questioned the usefulness of an international convention on freight forwarding. As to training, he recalled that FIATA co-operated with UNCTAD and the ESCAP Working Group on Vocational Training on the TRAINMAR course on practical freight forwarding. FIATA supported steps by UNCTAD to further assist with human resource development in the fields of freight forwarding and multimodal transport.

45. Referring to document TD/B/C.4/328, he recognized that services by freight forwarders in developing countries were not as sophisticated as in industrialized countries. Countries exporting only a few commodities would not need a freight forwarder, whereas in countries with light industrial manufacturing, freight forwarders already had a role to play as transport organizer. FIATA would not advocate regulation of freight forwarding activities, and recommended that the shipping public only use freight forwarders who were members of a national freight forwarders association, to ensure that the shipping public received good service that represented value for money.

46. The representative of the International Chamber of Commerce (ICC) agreed with the secretariat view that the present improvement in world shipping could rapidly worsen if a cautious approach was not adopted by all. Awareness of the dangers of overcapacity was essential to avoid falling into the trap which had caused such chaos for shipping during the decade up to 1987. The general recovery in the shipping industry was only relative, considering that freight rates in all sectors had barely kept up with inflation. The tanker market had been strong, but the future appeared uncertain due to important questions of liability for oil pollution spills and other environmental concerns arising in the United States Congress. The dry cargo market had generally improved, with little laid up tonnage and scrapping. The liner trades had been disappointing, however. From a shipowners' perspective, freight rates were uneconomic and the current excess capacity showed no sign of immediate improvement. In the face of an aging fleet in all sectors, soaring newbuilding prices combined with insufficient rates across the board made it necessary to continue with old tonnage.

47. As to multimodal transport, he recalled his organization's work on uniform rules for combined transport documents. These were produced by the industry and for the industry and had won wide recognition by international associations (BIMCO, FIATA), banks and individual operators. The UNCTAD secretariat had set up a working party with the ICC to elaborate rules for MT documents as per its mandate (resolution 60 (XII)). He emphasized that ICC's work with UNCTAD was designed to produce rules and not documents. The working party had made good progress although some points of principle remained to be resolved. This work illustrated the desirability and the success of joint ventures between industry and Governments.

48. The efforts of the ICC Center for Maritime Co-operation to increase the awareness of the industry to the benefits of joint ventures and the transfer of technology had continued. The CMC has also played an active role in UNCTAD's JOBMAR programme for on-the-job training, by assisting in the placement of candidates from developing countries with host companies in the maritime sectors of developed countries.

49. Referring to document TD/B/C.4/315 (Parts I and II), the representative of the International Chamber of Shipping (ICS) welcomed the educational role of the article-by-article comments on the Hamburg Rules and the Multimodal Convention but did not share the findings on their economic and commercial implications. ICS remained opposed to the Hamburg Rules and considered that they would not bring about the uniform system of liability for the carriage of goods by sea which shipowners no doubt would welcome in an ideal world. Referring to the joint UNCTAD/ICC working group on uniform rules for a multimodal transport document, he mentioned that ICS had also been participating in its various meetings and, basically, shared ICC's opinion on the outcome of this working group.

50. The secretariat's report "Review of developments in standardization of containers and related activities" (TD/B/C.4/329) provided a useful and factual survey on a matter which had always been important and was even more urgent since ISO was quickly moving towards a new generation of container standards. In this context, ICS considered that a full analysis of the cost effectiveness of a such new generation must be a prelude to any decision in this field. Recalling that the Economic and Social Council had been invited to co-ordinate a full and world-wide economic evaluation of the requirements for future containers, he said that UNCTAD should participate in these studies rather than undertake a comprehensive study of its own as was proposed in the secretariat's report.

Chapter II

MULTIMODAL TRANSPORT

(Agenda item 3)

51. For its consideration of agenda item 3, the Committee on Shipping had before it the following documents:

- "The economic and commercial implications of the entry into force of the Hamburg Rules and the Multimodal Transport Convention" - report by the UNCTAD secretariat (part two) (TD/B/C.4/315(Part II) and Corr.1)

- "Inventory of existing mandates and new draft programme of work in the fields of multimodal transport and technological development" - report by the UNCTAD secretariat (TD/B/C.4/323)

- "Developments in multimodal transport" - report by the UNCTAD secretariat (TD/B/C.4/328)

- "Review of developments in standardization of containers and related activities" - report by the UNCTAD secretariat (TD/B/C.4/329)

- "Information material for shippers to make the most efficient use of multimodal transport" - report by the UNCTAD secretariat (TD/B/C.4/330).

Consideration in Sessional Committee II

52. Introducing the item, the Chairman stressed the importance of document TD/B/C.4/323 as it set forth fundamental issues, in particular the secretariat's programme of work on multimodal transport.

53. The spokesman for the Group of 77 (Sri Lanka) expressed his Group's concern at the prospect that developed countries' multimodal transport operators would by the end of the century control all component parts of the transport system, with operators from developing countries being left on the sidelines as mere subcontractors. Without minimizing the benefits of such integration of transport means, he suggested that the effects of "mega multimodal transport operators" and the development of total distribution systems in developing countries be studied with a view to finding ways of joining forces to counter the possible threat.

54. He further suggested a study on the effect of electronic data interchange (EDI) on transport organizers and shippers in developing countries and on the development of local community EDI systems, as well as software developments for the transport industry in order to promote the introduction of EDI.

55. He described the Group of 77's concern with the increasing use of larger than ISO standard containers and supported the UNCTAD secretariat's participation in ISO meetings dealing with containerization so that developing countries' views could be adequately taken into account in that forum. He suggested that the UNCTAD secretariat be instructed to continue its monitoring of the increases in container dimensions. His Group would support a study on

the emergence of "mega container lessors" which would report back to the Committee as soon as possible. He also suggested that the secretariat should undertake a study of the possibility of creating container pools in developing countries to reduce leasing expenses.

56. The Group of 77 would support a study on possible entry barriers to freight forwarders and multimodal transport operators entering the international transport market. On technical assistance and training activities rendered by the secretariat, the Group of 77 would support a resolution for continuing such efforts.

57. Regarding the issue of a new programme of work for the secretariat, the Group of 77 felt that such a programme should give the secretariat adequate lead time to carry out the new mandates over several years. Considering the shortage of subject-matter experts in the sessions of the Committee on Shipping, particularly with regard to the Group of 77 delegations, his Group recommended that there be a proposal to create a new permanent working group on multimodal transport, and that this group would meet every other year, alternating with regular sessions of the Committee on Shipping.

58. He expressed concern at the poorly defined status of the freight forwarding industry and suggested the need for internationally recognized rules. His Group therefore supported the drafting of a set of non-mandatory minimum standards for freight forwarders and multimodal transport operators and the investigation by the secretariat of the possible merits of a convention on freight forwarding.

59. The spokesman for Group D (Bulgaria) said that his Group considered that the secretariat had carried out important work in the field of multimodal transport which was far from being terminated since multimodal transport was a dynamic activity undergoing serious changes. One of these changes was the transition to paperless technology on the basis of computerized data communications, without which further development of multimodal transport was inconceivable. Group D considered that the Committee should actively participate in this work, contributing in particular to the creation of a computerized system of communications between trade and business partners and to the elaboration and implementation of standard forms of documents on the basis of EDIFACT requirements.

60. Among the other important problems in the field of multimodal transport, he mentioned cargo tracking; correspondence between the dimensions and other parameters of different equipment items; and facilitation of procedures and documentation in transport and customs operations.

61. Taking into account the limited resources, the countries of Group D considered that the following items should be taken up as a matter of priority in the work of the secretariat: the influence of the activities of mega-operators, using modern and sophisticated technology and computerized communications, on the development of multimodal transport; the conversion of multimodal transport operators into suppliers of comprehensive transport and logistic services; the evolution of dimensions and mass of containers and the attitude to the new generation of container standards; and the dissemination of information and technical assistance in the field of multimodal transport to the interested countries.

62. The spokesman for Group B (Netherlands) said that the discussion on multimodal transport had come at the right moment because most of the Committee's requests to the secretariat for studies in the field of multimodal transport and containerization had been fulfilled. Generally, the documents on this item were valuable and, although his Group did not necessarily agree with everything they contained, it had learned much from them. The evaluation of work provided in the first part of TD/B/C.4/323 could serve as a blueprint for other activities in the Committee as related to ports, legislation, etc. In the opinion of Group B, the bottle-necks for getting involved in multimodal transport were lack of appropriate infrastructure, organization and managerial skills, as well as shortcomings in legislation. He stressed that the Committee on Shipping was a policy body which should discuss broad issues and let the experts go into the substance. The documents - in particular, TD/B/C.4/323, which contained proposals for a work programme for the short and medium term - did not point out clearly what impediments developing countries faced in multimodal transport. In the view of Group B, it was important to identify needs and possible barriers to establishing multimodal transport, and hence to develop a strategy taking into account what had been done under the mandate in Committee resolution 36 (IX). On the options for a working group on multimodal transport, Group B preferred an expert group which could find out what the actual needs were and what could be done. In his view, the UNCTAD experience in working with expert groups was positive. Finally, he suggested that the secretariat should make a presentation to the Committee on multimodal transport to familiarize delegations with this concept.

63. The representative of China recognized that multimodal transport represented a revolution in international transport services. He outlined the difficulties and problems still confronted in China regarding multimodal transport. However, China was fully aware of its advantages and potential and sought enlightenment on this subject from the Committee. His country was making use of TD/B/C.4/315 to study carefully the implications for its economy of the entry into force of the two Conventions. He appreciated the secretariat's contribution in the field of technical assistance and training. On the question of container standards, China was preoccupied by the use of larger than ISO standard containers and called for stability and further studies in the field of international container standards. In reference to TD/B/C.4/323, he recognized the pertinence of the proposals therein and hoped that consensus could be found on the new programme of work.

64. The spokesman for Group D (Bulgaria) said that TD/B/C.4/315 contained a profound analysis of the possible consequences of adhering to the Multimodal Transport Convention. However, the statement that the transport sector could quickly adapt itself to the new régime of responsibility seemed to be questionable. Since the perspectives for the entry into force of this Convention were not clear, this study for the time being had a rather theoretical significance. He confirmed that the Group D countries did not object to the study being issued in the form of a booklet.

65. The representative of India agreed that both parts of TD/B/C.4/315 should be circulated in the form of a booklet.

66. The spokesman for Group B (Netherlands) reiterated that some of the countries of his Group had reservations concerning the conclusions of the two parts of TD/B/C.4/315 and suggested that the publication might be left in its present state. He also asked the secretariat to explain how so many studies were assembled in TD/B/C.4/323.

67. The representative of the UNCTAD secretariat explained that the document had been prepared following the recommendations of the Group of Experts on Economic Co-operation Among Developing Countries in the field of Shipping, Ports and Multimodal Transport. Additional tasks derived from technical assistance activities and workshops in various parts of the world, where many opportunities were given to identify and discuss needs for new activities with industrial and governmental sectors. All these tasks needed to be accorded priority and he urged the Committee on Shipping to rank them in order with a view to longer-term mandates that would allow the secretariat to plan its work better.

68. Referring to TD/B/C.4/315, the spokesman for Group B (Netherlands) asked if Part II would need redrafting in view of the ongoing UNCTAD/ICC work on multimodal transport documents. The representative of the UNCTAD secretariat confirmed that this would not influence the document. The representative of JUNAC commented that multimodal transport already existed outside the Multimodal Transport Convention and that the secretariat should investigate requirements to develop multimodal transport in a country. The representative of India referred to the mandate under which the report had been prepared as well as the reservations which a number of countries had regarding the provisions of the Convention, and he suggested that the Committee take note of the report in TD/B/C.4/315, and that its two parts be merged into a booklet. It would be for individual Governments to decide regarding ratification or otherwise. He was supported by the spokesman for Group D and the representative of China. The Chairman recalled that the UNCTAD secretariat had received the mandate to produce a booklet. The spokesman for Group B recognized that his Group had requested a brief document but stressed that the controversial conclusions of the report were not shared by all Governments. The representative of Italy said that, if the Committee on Shipping decided to publish a booklet, it should include a preamble specifying that the study was being published by UNCTAD and that some of the conclusions were not supported by all Governments.

69. Referring to TD/B/C.4/328, the spokesman for Group D (Bulgaria) said that it correctly reflected the developments in multimodal transport and suggested that the secretariat should carry out an in-depth study on how MTOs could turn into total distribution operators. In the view of his Group, note should be taken of the joint UNCTAD/ICC work and a request be made to accelerate its conclusions. He stressed that the majority of Group D countries were undergoing changes which should be taken into account in the Committee's work. His Group was pleased with the development of MULTISHIP and hoped to profit from it. His Group agreed to the termination of the reference library.

70. The spokesman for the Group of 77 (Sri Lanka) supported the idea that the secretariat should carry out information activities, in particular in the field of EDI, in co-operation with other organizations. In this connection, the spokesman for Group B (Netherlands) emphasized that the secretariat should not be involved in activities overlapping with other organizations' work and that Group B would need to know more about the financial implications of such

information activities. The representative of China explained that the situation in China on those issues was very similar to the situation in many developing countries and that his country expected assistance from the secretariat in training and software development. He suggested that the secretariat should provide more information on the current legal status of MTOs in developed countries and report to all States. The representative of Côte d'Ivoire stressed that international physical distribution had considerable consequences on developing-country economies and suggested that a study should be made on this subject.

71. The representative of ALACAT considered the role of multinational freight forwarders in developing countries was important to secure transfer of modern know-how and agreed with the secretariat's conclusions that there was a total absence of apprenticeship programmes in this field. The representative of India supported paragraph 2 of the conclusions in the report. Referring to the role of freight forwarders in developing countries, he stressed that it should be left to each country to decide on how to promote and structure their multimodal transport organizations, depending on local conditions. The spokesman for Group B (Netherlands) said that there was no need to give constant support to freight forwarders in strengthening their national or subregional structures. Moreover, he felt that it was not clear from TD/B/C.4/328 what the specific functions of freight forwarders were and therefore further work should be done with regard to those functions before more far-reaching decisions could be taken by the Committee. The representative of the UNCTAD secretariat explained that, considering freight forwarders' numerous activities, some co-ordination was required, perhaps in the form of a convention. In reply, the spokesman for Group B (Netherlands) said that, in the absence of the most basic information such as clarification of the functions of freight forwarders, there was no proven requirement or justification for contemplating guidelines on a convention governing the freight forwarding industry. The Chairman said that the Committee might be interested to know how freight forwarders worked in different countries.

72. With reference to TD/B/C.4/329, the spokesman for the Group of 77 (Sri Lanka) stated that his Group was concerned by the spread of oversize containers and expressed the importance of maintaining stability in container standards. He suggested that the secretariat should continue to monitor the developments and to conduct further studies in this field. The spokesman for Group D (Bulgaria) supported the Group of 77, in particular in relation to the future requirements in containers of different categories. The spokesman for Group B (Netherlands) said that in Group B countries there were mixed views on the new container sizes. He considered that the secretariat's proposed study on the economic, social and environmental consequences would not serve the purpose as the outcome would be highly debatable, but he agreed that the present monitoring should continue.

73. Regarding TD/B/C.4/329, the representative of China stressed the importance of stability in container standards as a pre-condition for the development of multimodal transport in developing countries because, like other developing countries, China was basing its transport system on existing standards. The UNCTAD secretariat should continue to monitor container development in close consultation with ISO. He also requested the secretariat to make a study on the economic benefits and problems of the move to larger containers.

74. The representative of India referred to the resource constraints which the developing countries had to face and stated that, despite such constraints, India had made heavy investments to handle the ISO containers. If these investments were to be replaced or under-utilized in order to cater for the larger containers, it would be a difficult proposition to accept. Moreover, more investments would have to be made to handle the larger containers. He noted that many developed countries also anticipated difficulties in handling these bigger containers. Further, the existing ISO containers were meeting the requirements of the trade of the developing countries. There should be stability in the size of containers and connected investments. Therefore, the Committee should make a positive assertion that it did not, at this stage, favour the use or incorporation of the high cube containers in ISO standards. He welcomed a study on ramification of increased container sizes. The spokesman for Group D (Bulgaria) supported the representative of India's statement concerning a study on this subject.

75. Concerning TD/B/C.4/330, the spokesman for Group B (Netherlands) said that he found it clear and informative for shippers. The spokesman for Group D (Bulgaria) stated that it could be of help to Governments in decision-making. However, for practical purposes, the secretariat could present a concise version of the document so that the shippers could use it as a manual.

76. The representative of China expressed gratitude to the secretariat for producing a good document.

77. The representative of India stressed that each country should be left to decide on how to regulate its multimodal transport.

78. The spokesman for the Group of 77 (Sri Lanka), commenting on TD/B/C.4/323, commended the secretariat on a job well done in what he felt was one of the most important documents. He highlighted the importance of the technical assistance activities carried out and stressed that these should be continued. He felt that a study of the effects of the development of mega-multimodal transport operators and the development of total or physical distribution systems would be of importance, as well as a study of the effects of the development of the emergence of mega-lessors. He suggested that the secretariat also undertake a study of the possibility of creating container pools in developing countries to reduce leasing expenses. He thought a study should be made on possible entry barriers to freight forwarders and multimodal transport operators.

79. The spokesman for Group B (Netherlands) observed that chapter I of TD/B/C.4/323 was very well drafted and could serve as a blueprint for future evaluations of the secretariat's work. Group B was, however, concerned about endorsing the request to undertake work on container standards, the results of which could be controversial and therefore not very worthwhile. He agreed that the monitoring of container standards should be pursued, but was not fully convinced regarding the carrying out of the studies proposed in the secretariat report. He was in favour of establishing a group of experts, comprising 19 experts from Governments and industry, plus observers, rather than establishing a WGISL type of group. Such a group could meet for one or two weeks with the specific mandate to prepare the secretariat's programme of work for the next decade. This programme would include ideas and experience of the private and public sectors concerned. In the meantime, the secretariat

might initiate some work such as, inter alia, on EDI issues. The spokesman for Group D (Bulgaria) said that TD/B/C.4/323 reflected the enormous amount of work done by the secretariat but did not sufficiently analyse the relationship between multimodal transport and shipping. He considered that a review of the experience gained by multimodal transport operators using landbridges should be made. He also expressed his Group's view on the priorities of the work to be carried out by the secretariat. Group D shared Group B's opinion regarding creation of an ad hoc group with the mandate to prepare a work programme for the 1990s and to provide the secretariat with guidelines to proceed between sessions. The group would report to the Committee at its fifteenth session, which would then decide if its mandate should be extended.

80. The representative of China attached much importance to multimodal transport and was counting on UNCTAD's assistance on this issue. China was interested in the programme of work presented by the secretariat, particularly in relation to those aspects on the training of personnel in which the secretariat had experience, and which should be treated as priority projects.

81. The representative of the International Maritime Organization (IMO) underlined the need for co-operation between UNCTAD and IMO in the field of EDI, as specified in paragraph 81 of TD/B/C.4/323.

82. The representative of the UNCTAD secretariat, replying to Group B's comment on container standards, stated that this item had always been one of the core issues of the programme of work in the field of multimodal transport. Currently the issue had again acquired special importance in view of the ISO proposal on series II containers. He recalled that, at its most recent meeting, in June 1989 in London, ISO TC 104 had adopted a resolution requesting, in particular of UNCTAD, an economic evaluation of the requirements of future containers. The secretariat should participate in this study to ensure that the positions of all interested parties, including developing countries, were properly taken into account.

Action by Sessional Committee II

83. At the 5th meeting, on 26 June 1990, the spokesman for Group B (Netherlands) introduced a draft resolution on item 3, submitted by his delegation on behalf of the States members of Group B. (Subsequently circulated in TD/B/C.4(XIV)/SC.2/L.3). In this, his Group envisaged that a group of experts would draft a new programme of work for the Committee and that the Committee could then, at its fifteenth session, decide on its long-term programme for the next 5-10 years.

84. At the same meeting, the spokesman for the Group of 77 (Sri Lanka) introduced a draft resolution on item 3, submitted by his delegation on behalf of the States members of the Group of 77. (Subsequently circulated in TD/B/C.4(XIV)/SC.2/L.2).

85. At the 6th (closing) meeting, on 29 June 1990, the Chairman introduced a draft resolution entitled "Multimodal transport, including work programme" (TD/B/C.4(XIV)/SC.2/L.4), which he had submitted as a result of informal consultations. He observed that a few minor editorial corrections would need to be made to the text.

86. At the same meeting, Sessional Committee II recommended that the draft resolution submitted by the Chairman be recommended to the plenary of the Committee on Shipping for adoption. Draft resolutions TD/B/C.4(XIV)/SC.2/L.2 and TD/B/C.4(XIV)/SC.2/L.3 were withdrawn by their sponsors.

87. Commenting on the work done in the Sessional Committee, the spokesman for Group B (Netherlands) said he was convinced that, at its fifteenth session, the Committee on Shipping would be able to draft its work programme for the medium term until the end of the 1990s.

Action by the Committee on Shipping

88. At the 157th (closing) meeting, on 29 June 1990, the Committee on Shipping adopted draft resolution TD/B.C.4(XIV)/SC.2/L.4 without dissent (for the text, see annex I below, resolution 67 (XIV)).

Chapter III

ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES IN THE FIELD OF SHIPPING, PORTS AND MULTIMODAL TRANSPORT

(Agenda item 4)

89. For its consideration of agenda item 4, the Committee on Shipping had before it the following documents:

- Report of the Group of Experts on Economic Co-operation among Developing Countries in Shipping, Ports and Multimodal Transport (26-30 June 1989) (TD/B/C.4/321-TD/B/C.4/AC.10/3)

- "Economic co-operation among developing countries in the field of shipping, ports and multimodal transport: Overview of recent developments" - report by the UNCTAD secretariat (TD/B/C.4/324)

- "Experience of countries members of the European Communities in developing co-operation in the field of maritime transport" - report by the UNCTAD secretariat (UNCTAD/SHIP/624)

- "Experience of member countries of the Council for Mutual Economic Assistance in developing co-operation in the field of maritime transport" - report by the UNCTAD secretariat (UNCTAD/SHIP/625).

Consideration in Sessional Committee I

90. Introducing this item, the Deputy Director of the Shipping Division pointed out that the possibilities for increased co-operation among developing countries in the field of shipping, ports and multimodal transport had been considered by the Committee on Shipping and its working bodies. He outlined the recommendations prepared by the Group of Experts in June 1989, submitted to the Committee for its consideration and endorsement or any other appropriate action, and noted that the bulk of the recommendations related to operational activities, which constituted the essence of shipping activities.

91. He also drew attention to the supplementary report by the UNCTAD secretariat (TD/B/C.4/324) and to two further documents submitted to the Committee at its fourteenth session. These two reports, which had also been made available to the Group of Experts, reported on the experiences of countries members of the European Economic Community and of the Council for Mutual Economic Assistance respectively, in developing co-operation in the field of maritime transport. He considered that the recommendations made by the Group of Experts, which were before the Committee for its consideration and appropriate action, were generally sound and appropriate and, for the most part, commercially oriented.

92. The spokesman for Group D (Poland) pointed out that the problem of co-operation among developing countries in maritime transport was not a new one. It had been considered at a number of sessions of the Committee and its working bodies. Thus any action in this field should take into account

previous studies and resolutions adopted by these meetings. Referring to the recommendations of the Group of Experts held in June 1989, he said that they had been made in the interest of developing countries and therefore these countries should first express their attitude to the recommendations.

93. Noting the international nature of maritime transport and the fact that it was primarily serving international trade, he pointed out that attention should be paid not only to the development of international co-operation among developing countries in this field but also to international co-operation in maritime transport on a global scale, including co-operation between developing and developed countries.

94. He noted that the diversity of forms of co-operation among countries in the field of maritime transport reflected the different needs at governmental and company levels of members of the maritime community. He referred to the experience of Group D countries in co-operation among themselves and in co-operation with developing countries in the field of maritime transport. He pointed out that certain forms of economic co-operation established by Group D countries were open for the participation of any country or foreign company and were not restricted to the founding members. Finally, he noted that only some of the recommendations submitted by the Group of Experts on Economic Co-operation among Developing Countries in Shipping, Ports and Multimodal Transport were addressed to UNCTAD.

95. The spokesman for Group B (United Kingdom) pointed to the improvements taking place in world shipping. He considered that further development of co-operation among developing countries in maritime transport was essential, and steps should be taken by the international community in order to assist the development of this co-operation. The possible financial implications of such actions should be clarified.

96. Finally he stressed that the problems to be considered by both Sessional Committees were closely connected and the decisions taken by one Committee might be important for the other. Thus, the decision-making process in Committees I and II should be co-ordinated.

97. The spokesman for the Group of 77 (Côte d'Ivoire) expressed his Group's appreciation to the other Groups which had endorsed the recommendations in the report of the Group of Experts on ECDC (TD/B/C.4/321). Moreover, he noted that if the recommendations were to be implemented it was very important for Governments to discuss the proposals during the current session of the Committee, as it was absolutely essential that they should provide the necessary framework within which commercial operators could effectively co-operate. He referred, in this connection, to the statements made by the Group of 77 in plenary.

98. He stated that his Group would be making proposals for further discussion in three areas. These were: (1) ECDC; (2) shipping policy and merchant fleet development; and (3) trade in services. For the first, which related to agenda item 4, the Group of 77 would propose that the Committee on Shipping endorse the report of the Group of Experts on Economic Co-operation among Developing Countries (TD/B/C.4/321) in order to help implement the

recommendations. Furthermore, the Group of 77 would request that Governments and shipping organizations of developed countries assist their counterparts in developing countries with the implementation of the recommendations made by the Group of Experts. He also urged funding organizations and other bilateral and multilateral institutions involved in the elaboration and implementation of development plans to attach the necessary priority to the development of shipping in developing countries as an industry that was indispensable to strengthening the development process.

99. Turning to the second area (merchant fleet development), he recalled the earlier proposal of the Group of 77 that UNCTAD, in close co-operation with shipping experts, undertake a major study analysing structural and technological changes in all sectors of the maritime industry, in order to redefine the role of developing countries in world shipping and to ensure their effective participation in all maritime and related activities. This report should be submitted to the Committee on Shipping at its fifteenth session. In addition, he stated that the Group of 77 would table a resolution requesting UNCTAD to continue its assistance in preparing case-studies in relation to the transport of commodities of interest to developing countries and its impact on national economies.

100. As for the third area, which focused on trade in services, the Group of 77 believed that a study on the economic impact of the liberalization of shipping services on developing countries should be undertaken and he called on the secretariat to monitor developments in GATT and to provide assistance in negotiations to developing countries.

Action by Sessional Committee I

101. At the 4th meeting, on 26 June 1990, the spokesman for the Group of 77 (Côte d'Ivoire) introduced a draft resolution on agenda item 4 on behalf of the States members of the Group of 77. (The text of the draft resolution was subsequently circulated in TD/B/C.4(XIV)/SC.1/L.2). */

102. At the same meeting, the spokesman for Group B (United Kingdom) submitted a draft resolution on items 4 and 5 (TD/B/C.4(XIV)/SC.1/L.4) (see chap. IV below). */

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*/ For the action on these draft resolutions, see chapter IV, paras. 125-128

Chapter IV

WORK PROGRAMME

(Agenda item 5)

103. For its consideration of agenda item 5, the Committee on Shipping had before it the following documents:

- "Review of the work programme of the Committee" - report by the UNCTAD secretariat (TD/B/C.4/325)

- Review of Maritime Transport, 1987 (TD/B/C.4/319) and ibid., 1988 (TD/B/C.4/320)

- Final report of the Joint Intergovernmental Group Of Experts on Maritime Liens and Mortgages and related Subjects (TD/B/C.4/327-TD/B/C.4/AC.8/27)

- "Evaluation of the technical co-operation programme in the field of maritime and multimodal transport" - report by the UNCTAD secretariat (TD/B/C.4/331 and Add.1)

- "Projection of shipper interests: experiences in freight rate negotiations" - report by the UNCTAD secretariat (TD/B/C.4/332)

- "Developments in world shipping: imbalance between supply and demand in world shipping" - report by the UNCTAD secretariat (TD/B/C.4/333)

- "SHIPASSIST Directory" (UNCTAD/SHIP/196/Rev.2).

Consideration in Sessional Committee I

104. Introducing this item, the Deputy Director of the Shipping Division referred to TD/B/C.4/325, which related to the work programme of the Committee on Shipping in all areas except multimodal transport. With respect to each of these areas, one or several documents were being submitted for the consideration of the Committee. In the field of shipping policy, a report on the protection of shippers' interests (TD/B/C.4/332) elaborated on the experiences in freight rate negotiations in order to assist shippers' organizations, particularly in developing countries, in determining appropriate means of preparing for and conducting their negotiations with liner conferences.

105. Referring to the annual reviews of Maritime Transport for 1987 and 1988 (TD/B/C.4/319 and TD/B/C.4/320), as well as to TD/B/C.4/333 which had elaborated more specifically on the question of overcapacity and imbalance between supply and demand in world shipping, he said that those reports showed that the slump in world trade and shipping which had characterized most of the past decade now appeared to have run its course and a general improvement had occurred during the last few years. This generally more healthy trend appeared to be continuing, as would be shown in more detail in the Annual Review of Maritime Transport 1989 which would be published within the next few weeks.

106. Regarding the United Nations Convention on a Code of Conduct for Liner Conferences, he pointed out that the Shipping Division continued to receive requests from Governments and interested commercial parties, particularly shippers' organizations and national shipping lines of developing countries, for advice and guidance with regard to the implementation of the Convention. In this connection, he noted there appeared to be a need to revise the "Guidelines towards the application of the United Nations Convention on a Code of Conduct for Liner Conferences" (UNCTAD/ST/SHIP/1), which had been published in 1986, in the light of ongoing developments affecting world liner shipping, taking of course into account the conclusions and guidelines that might eventually result from the Review Conference.

107. He briefly reported on a study which UNCTAD was undertaking jointly with UNIDO on the maritime transport of timber and wood products and on developments within GATT on the question of trade in services, which was of considerable concern to delegations participating in the Committee.

108. Reporting on the activities of UNCTAD in technical co-operation and with regard to maritime training, he pointed out that the volume of UNCTAD technical co-operation and maritime training activities had continued to increase considerably in recent years. Training continued to be a major feature of this programme, involving in particular the TRAINMAR and IPP projects and the holding of ad hoc seminars on such subjects as Container Terminal Management, Financial Management and Pricing Policy, and the new project JOBMAR, whose aim was to facilitate on-the-job training. Another major activity in recent years had been the implementation of the first phase of an important subregional transport project entitled, "Transit traffic and support to the transport sector in southern Africa".

109. He also drew attention to the Sectoral Support Advisory Service which - through short-term missions by the Principal Adviser - provided a range of services covering the maritime field, trade facilitation and the use of computerized management information systems in the areas of trade, customs procedures and debt management.

110. With regard to the work programme of the Shipping Committee, the spokesman for the Group of 77 (Côte d'Ivoire), recalling the opening statement of his Group, stated that his Group was particularly interested in policy issues addressing the profound structural changes affecting maritime transport and the resulting need to redefine the role that developing countries were to play in future maritime operations. This new policy approach should also include elements of the present work programme, such as the imbalance between supply an demand, the reduction of the technology gap, the protection of shippers' interests, questions of the level and structure of freight rates and auxiliary costs, fleet renewal and the resulting financing requirements. He also repeated his Group's vital interest in the Review of Maritime Transport and its possible expansion to cover specific developments in the various regions of the Group of 77.

111. Referring to the work programme of the Committee on Shipping and in particular to the problems of protection of shippers' interests, the spokesman for Group B (United Kingdom) pointed out that consultations between shippers and shipowners was the right mechanism to achieve a balance of interests. He also indicated that the annual Review of Maritime Transport was useful and should be continued.

112. Referring to the problem of combating fraud in shipping, the representative of the Netherlands informed the Committee that a "Maritime Fraud Platform" had recently been established in his country. The Platform was an informal contact group consisting, among others, of representatives of various police forces, the Ministry of Transport and of experts working in the private industry. Its purpose was to allow for an informal exchange of information and expertise between the participants in the Platform. The Platform had recently taken up preliminary consideration of ways and means of making its expertise available to interested developing countries. One way this could be done was by organizing special seminars in developing countries, perhaps in co-operation with UNCTAD.

113. Referring to the work programme of the Committee on Shipping, the spokesman for Group D (Poland) stressed the importance of the secretariat's annual Review of Maritime Transport and said that its publication should be continued. There was a need to monitor the situation in world shipping and he requested the secretariat to carry out further studies on the imbalance between supply and demand. He also supported the proposal of the secretariat to update previous studies concerning implementation of the Code of Conduct for Liner Conferences.

114. The representative of China, referring to items 4 and 5, stated that, as a developing country, China fully appreciated the work undertaken within UNCTAD on ECDC and had always seen ECDC as beneficial. Not only would ECDC contribute to a solution of the supply and demand imbalance problem in world shipping, but it would help with China's own economic development. While structures and levels of economic development in developing countries might be different, co-operation should be seen as a common interest, based on equality, mutual benefit and friendship, whereby developing countries could complement each other's strengths and weaknesses. China also appreciated the conclusions of the UNCTAD secretariat regarding protection of shippers' interests, and welcomed the formation of shippers' councils.

115. Although there had been positive changes in the supply and demand imbalance in world shipping over the past two years, he observed that the situation had not improved fundamentally. Therefore, all member countries should make efforts to reinstate stability. Furthermore, national fleets of developing countries had in recent years improved their participation in the world fleet, which was encouraging. However, their participation was still limited in comparison to the amount of goods transported by the merchant fleets of developed countries. Efforts should therefore also be made to develop and improve the participation of developing countries in world shipping.

116. China supported the convening of a diplomatic conference on maritime liens and mortgages, at an appropriate time and within the budgetary limits. Items to be discussed at the Conference should be made known to member countries well in advance. China would also like to see further discussion in relation to the arrest of ships, but this should occur only after the convention on liens and mortgages had been adopted. Finally, referring to the forthcoming session of an international working group to discuss the problem of ship leasing contracts (bareboat charters), he said that a report of the discussions would be necessary to help clarify this confusing issue.

117. The spokesman for Group D (Poland) stressed that the discussions on the work programme and decisions on priorities should be linked with the main items of the agenda for the fifteenth session of the Committee on Shipping. In this connection, Group D suggested that the structural changes in world shipping should be one of the main subjects to be considered at the fifteenth session. It would reflect the vital necessity for a balanced development of the world maritime industry. He also suggested that a separate report on the imbalance between supply and demand in world shipping should be prepared by the UNCTAD secretariat.

118. The spokesman for Group B (United Kingdom) pointed out the necessity of establishing priorities in the work programme within available resources, having regard to the agenda for the fifteenth session of the Committee on Shipping. Recalling the proposals made by the spokesmen for Group D and for the Group of 77, he suggested that a list of priorities should be made. In preparing this list the progress of discussions in Sessional Committee II should be taken into consideration.

119. Noting that maritime transport services would be considered in GATT in the context of the Uruguay Round only after the current session of the Committee on Shipping, he proposed that discussion of trade in services be postponed until the fifteenth session of the Committee. He also supported the proposal to include in the agenda of the fifteenth session of the Committee an item on structural changes in world shipping.

Action by Sessional Committee I

120. At the 4th meeting, on 26 June 1990, the spokesman from Group B (United Kingdom) introduced a draft resolution on agenda items 4 and 5 on behalf of the States members of Group B. (The text of the resolution submitted by Group B was subsequently circulated in TD/B/C.4(XIV)/SC.1/L.4.)

121. Referring to the items proposed for the agenda of the fifteenth session of the Committee on Shipping, he stated the view of Group B that the fifteenth session should be devoted to (i) the UNCTAD work programme, in particular, its work programme in the field of multimodal transport; (ii) monitoring the current situation in world shipping; and (iii) review of the port activities of the UNCTAD secretariat.

122. At the 5th meeting, on 27 June 1990, the spokesman for the Group of 77 (Côte d'Ivoire) introduced, on behalf of the States members of the Group of 77, a draft resolution on agenda item 5 (TD/B/C.4(XIV)/SC.1/L.3). Also under item 5, he introduced a draft resolution, on behalf of the States members of the Group of 77, relating to "Maritime liens and mortgages". (The text of this draft resolution was subsequently circulated in TD/B/C.4(XIV)/SC.1/L.5.)

123. At the 6th (closing) meeting, on 29 June 1990, the Chairman, reporting on the informal consultations held on draft resolutions TD/B/C.4(XIV)/SC.1/L.2, L.3, L.4 and L.5, stated that it had not been possible to complete the negotiations on those draft resolutions in the time available. The texts had therefore been referred to the Contact Group of the Chairman of the Committee on Shipping, which had taken up the matters that had not been settled.

Consideration in plenary

124. At the 157th (closing) meeting, on 29 June 1990, the Chairman introduced draft resolutions TD/B.C.4/L.178, TD/B/C.4/L.179 and TD/B/C.4/L.177, which he submitted following the informal consultations in his Contact Group.

Action by the Committee

125. At the same meeting, the Committee on Shipping adopted draft resolutions TD/B/C.4/L.178, TD/B/C.4/L.179 and TD/B/C.4/L.177 without dissent (for the texts see annex I below, resolutions 64(XIV), 65(XIV) and 66(XIV) respectively.

126. Draft resolutions TD/B/C.4(XIV)/SC.1/L.2, L.3, L.4 and L.5 were withdrawn by their sponsors.

127. The representative of Saudi Arabia recalled that the agreement reached and reflected in resolution 66 (XIV) was fully supported by UNCTAD and IMO, and therefore asked the secretariat to circulate the text of the draft convention on maritime liens and mortgages well in advance of the Conference of Plenipotentiaries, so that delegations would have ample time for preparation of their positions.

128. A representative of the UNCTAD secretariat said that, as the IMO Council and, subsequently, the General Assembly could not approve the convening of the Conference before December 1990, the earliest date for the meeting would be late 1991 or early 1992.

Chapter V

CLOSING STATEMENTS

129. The spokesman for the Group of 77 (Côte d'Ivoire) recalled that, in its opening statement, his Group had underlined the main concerns and problems encountered by developing countries in shipping and, in particular, in multimodal transport, expressing the hope that the Committee would be able to formulate the urgent measures necessary to promote and ensure their increased and continued participation in shipping.

130. His Group had pointed out that, despite the measures taken in the 1970s and 1980s by the international maritime community in favour of the developing countries, the latter found themselves daily more marginalized in respect of the provision of quality martime services. Furthermore, their participation in bulk transport, whether liquid or solid, remained at best stagnant if not in decline. Given all these developments, the Group of 77 had appealed to the other Groups to embark on the joint formulation of a new strategy which would allow its members to participate with the test of the international maritime community in maritime transport activities and the provision of shipping services. His Group considered that this strategy should be directed to both the long and medium-term.

131. Following the conclusion of the negotiations in the Committee, it was possible to envisage progress towards the achievement of some of the objectives which had been set. The resolutions adopted provided for a certain number of steps to ensure that the future work of UNCTAD would be directed to ensuring that the developing countries would participate effectively in maritime transport and, above all, to reducing the technological gap separating them from the developed countries.

132. The Group of 77 particularly appreciated the mandate given to the secretariat to review structural and technological changes to permit a better definition of the role of the developing countries in shipping. He stressed that, if the developing countries were to achieve their objectives, the support of the entire international community, particularly that of the developed countries, was essential. The Group of 77 was likewise gratified by the mandate given to the secretariat to follow problems arising in the liberalization of services and the work in hand in GATT in that connection, for it was obvious that the developing countries would require assistance to ensure their participation in this sector of international trade.

133. In respect of multimodal transport, there had been discussion of the technological gap separating developing from developed countries. Following the difficult negotiations in Committee II, the Group of 77 believed that the common platform which had been formulated allowed an expectation of improved performance in this area and looked forward to the outcome of the Group of Experts in that connection.

134. As to economic co-operation among developing countries, the Group of 77 reiterated its appeal to the developed countries, and particularly to the transport operators of those countries, to assist the members of the Group to implement the recommendations directed to their Governments.

135. The Group of 77 also reiterated its appeal to international organizations to assist it in planning activities and to financial institutions to accord to international maritime transport the priority for which the Group of 77 hoped.

136. The Group was gratified that the Committee had called for the convening of a conference on maritime liens and mortgages, to whose outcome it attached much importance.

137. The spokesman for Group B (United Kingdom) observed that the current session of the Committee had achieved its aims. Turning to the four resolutions agreed upon, he said that, from the outset, Group B had recognized the importance of multimodal transport systems and was pleased that agreement had been achieved with the other Groups as to the best way to map out UNCTAD's future work in this area. Group B was in particular pleased to note that an expert group would be appointed to take stock of the principal problems experienced by developing countries in multimodal transport. The outcome of this work and the other studies which the Committee had commissioned, would be a major part of the Committee's fifteenth session.

138. As to the resolution concerning the recommendation for a diplomatic conference on liens and mortgages, it was no secret that Group B had not been an enthusiastic proponent of the proposals. However, other Groups had expressed strong support for such a conference and Group B had therefore accepted the recommendation to convene one, without prejudice, of course, to the position of individual Governments and subject to agreement by the IMO.

139. Economic co-operation among developing countries has been a major topic for Committee I and Group B hoped that the implementation of this resolution would have practical benefits for developing countries and looked forward to receiving in due course a report on the follow-up work.

140. A major part of the resolution on the future work programme of UNCTAD in the field of shipping concerned shipping policy. Group B believed that the question of the supply/demand position remained of crucial importance for the maritime sector and thus for the Committee. The Group of 77 had pointed to challenges to developing countries posed by structural and technological changes, in the marine sector and to the technology gap they were experiencing. The resolution provided that UNCTAD should undertake studies on these two questions and report thereon at the next session. Of course, the resolution covered a number of other important issues, and the Committee had reinforced the importance of technical assistance and training for developing countries.

141. The current session had taken place at a time of major economic and political changes. He had welcomed in his opening remarks the increasing emphasis on liberalization in trade and shipping services, and against this background Group B looked forward to the next Committee on Shipping.

142. The spokesman for Group D (Union of Soviet Socialist Republics) said that the results of the Committee's work reflected a realistic and balanced approach to shipping issues.

143. Multimodal transport was taking on increasing importance, and the question of the adequacy of the services provided by operators was therefore becoming a matter of international significance. The convening of a group of experts on multimodal transport in accordance with the resolution adopted by the Committee would make it possible to discuss changes and future developments in multimodal transport, including containerization, and should help alleviate problems and enable interested Governments and commercial organizations to benefit from the experience of others. Technological development in multimodal transport, paperless technology and the use of EDIFACT for transport documentation were also important questions, and the UNCTAD secretariat's work in that area should be encouraged.

144. Group D welcomed economic co-operation among developing countries in the field of shipping, ports and multimodal transport, and the useful recommendations made by the Group of Experts would contribute towards regional and subregional co-ordination. The shipping enterprises and organizations of Group D countries were ready to co-operate with their developing country counterparts to the extent possible.

145. With regard to maritime liens and mortgages, Group D welcomed the adoption of a separate resolution, which would allow the completion of the joint UNCTAD/IMO work on the related convention. The experience jointly acquired by UNCTAD and IMO in that connection could, if properly used, prove useful in the future.

146. Group D welcomed the work programme set out by the Committee and regarded it as in line with the development of international shipping and with available secretariat resources. It was pleased that the work programme covered the issues of structural and technological change in maritime transport, since the balanced development of the merchant fleet and trade represented the best means of ensuring the unrestricted supply of maritime transport services and fair competition among carriers in different countries. The consultations provided for in the work programme would also help in that respect. Finally, work on ports was also important, and the Ad hoc Intergovernmental Group of Port Experts, to meet in September 1990, should help resolve the problems which existed in that area.

147. The representative of China observed that the current session was closing on a note of complete success, with the achievement of positive results and the adoption of four resolutions. The many contributions from the spokesmen for the regional groups had contributed to this positive outcome, with which the Chinese delegation was very pleased.

148. The Director of the Shipping Division recalled that the secretariat had made a brief presentation of the concept of multimodal transport and of one of the software packages developed by the Shipping Division to help developing countries improve their transport chains. The Division welcomed this rare opportunity to demonstrate some elements of its practical work.

149. It was particularly gratifying to note that, in spite of the general shortage of experts on multimodal transport, several countries had made special efforts to include subject-matter experts in their delegations. This had allowed Sessional Committee II to enter into its subject in more depth

than had been customary. Sessional Committee II had, however, felt it would be appropriate for multimodal transport to be discussed in more depth by a Group of Experts and he was sure this Group would be able to assist the Committee in drawing up its medium-term programme of work.

150. As to economic co-operation among developing countries in the field of shipping, ports and multimodal transport, the Committee had adopted a resolution which would ensure that further work would be carried out in this area at both subregional and regional levels as well as by the UNCTAD secretariat. While there might be certain reservations about elements of some of the recommendations, he believed that - on the whole - they were sound, practical and generally commercially oriented.

151. The secretariat firmly believed that ECDC activities needed to be further pursued and would continue its efforts in this area in line with the resolution adopted. In accordance with the provisional agenda for the fifteenth session, a major item for that session would be an assessment of world shipping developments and actions which might be taken by the international community to assist developing countries in facing the enormous challenges posed.

152. In his closing address, the Chairman observed that the general goodwill prevailing during the session was clearly reflected in the four resolutions that had been adopted, which in their totality represented a fair balance of the different interests expressed during the session. Taken individually, they were the result of compromise yet he felt all agreed that they constituted a good basis to determine the future direction of shipping development acceptable to the international community at large.

153. Once again the Committee on Shipping had been able to deal with complex, and complicated commercial as well as political issues in a professional yet amicable manner. This approach had not failed to produce the results necessary for continued co-operative arrangements, which were so urgently needed to resolve problems that might adversely affect shipping relations between the North and the South as well as between providers and users of shipping services. He hoped that the results contained in the four resolutions would be carried forward, and the necessary action be taken by all the parties concerned - governmental, intergovernmental, or private - to ensure the translation of the Committee's work into concrete measures which would benefit the shipping and trading communities of all countries.

Chapter VI

ORGANIZATIONAL MATTERS

A. Opening of the session

154. In the absence of the Chairman of the Committee at its thirteenth session, the fourteenth session of the Committee on Shipping was opened on 21 June 1990 by Ms. Maria Pompeu Brasil (Brazil), pursuant to rules 20 and 22 of the rules of procedure.

B. Election of officers

(Agenda item 1)

155. At its 154th (opening) and 155th meetings the Committee elected the following Bureau:

Chairman:	Mr. Leif Asbjorn NYGAARD	(Norway)
Vice-Chairmen:	Mr. HU Hanxiang	(China)
	Mr. Joseph NGUEMA-MBA	(Gabon)
	Mr. Praveen SINGH	(India)
	Mr. Anthony MARTIN	(New Zealand)
	Mr. Stanislav GRZESIUK	(Poland)
Rapporteur:	Ms. Agnes CELIS	(Mexico).

C. Adoption of the agenda and organization of work

(Agenda item 2)

156. At the 154th meeting, the Committee adopted the provisional agenda approved by the Trade and Development Board at the second part of its thirty-fourth session (TD/B/C.4/332) as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Multimodal transport
4. Economic co-operation among developing countries in the field of shipping, ports and multimodal transport
5. Work programme
6. Provisional agenda for the fifteenth session of the Committee
7. Other business
8. Adoption of the report of the Committee to the Trade and Development Board.

157. At the same meeting it endorsed the secretariat suggestions for the organization of work in document TD/B/C.4/322 and established two sessional committees. Sessional Committee I would consider and report on items 4 and 5; Sessional Committee II would consider and report on agenda item 3. All other items would be considered in plenary.

Sessional Committee I

158. At its 1st meeting, on 22 June 1990, Sessional Committee I elected the following officers:

Chairman: Mr. J. Nguema-Mba (Gabon)

Vice-Chairman-cum-Rapporteur: Mr. N. Beyazov (Bulgaria).

159. In the course of the session, Sessional Committee I held six plenary meetings. This report gives a brief account of the proceedings of those meetings.

160. At its 6th (closing) meeting, on 29 June 1990, the Sessional Committee adopted its draft report (TD/B/C.4(XIV)/SC.1/L.1), with a few amendments, and recommended that it be incorporated, as appropriate, in the final report of the Committee on Shipping.

Action by the Committee

161. At the 157th (closing) meeting, on 29 June 1990, the Committee on Shipping took note of the report of Sessional Committee I and decided to incorporate it in its own report (see chapters III and IV above).

Sessional Committee II

162. At its 1st meeting on 21 June 1990, Sessional Committee II elected the following officers:

Chairman: Mr. G.A. Levikov (Union of Soviet Socialist Republics)

Vice-Chairman-cum-Rapporteur: Mr. D.W. Pelkola (Canada).

163. In the course of the session, Sessional Committee II held six plenary meetings. This report gives a brief account of the proceedings of those meetings.

164. At its 6th (closing) meeting, on 29 June 1990, the Sessional Committee adopted its draft report (TD/B/C.4(XIV)/SC.2/L.1), with a few minor amendments, and recommended that it be incorporated, as appropriate, in the final report of the Committee on Shipping.

Action by the Committee

165. At the 157th (closing) meeting, on 29 June 1990, the Committee on Shipping took note of the report of Sessional Committee II and decided to incorporate it in its own report (see chapter II above).

D. Membership and attendance

166. The following States members of UNCTAD, members of the Committee, were represented at the session: Algeria; Australia; Bangladesh; Belgium; Bolivia; Brazil; Bulgaria; Burkina Faso; Cameroon; Canada; Chile; China; Côte d'Ivoire; Cuba; Democratic People's Republic of Korea; Denmark; Ecuador; Egypt; Ethiopia; Finland; France; Gabon; German Democratic Republic; Germany, Federal Republic of; Ghana; Greece; Guinea; Hungary; India; Indonesia; Iran (Islamic Republic of); Iraq; Israel; Italy; Japan; Kenya; Kuwait; Lebanon; Liberia; Libyan Arab Jamahiriya; Madagascar; Mexico; Morocco; Netherlands; New Zealand; Nigeria; Norway; Panama; Philippines; Poland; Portugal; Republic of Korea; Saudi Arabia; Senegal; Spain; Sri Lanka; Sudan; Sweden; Switzerland; Thailand; Tunisia; Turkey; Union of Soviet Socialist Republics; United Arab Emirates; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; Uruguay; Venezuela; Yemen; Yugoslavia; Zaire.

167. The following other States members of UNCTAD, not members of the Committee, were represented at the session: Angola; Austria; Burundi; Dominica; Mali; Rwanda; Sierra Leone; Zambia.

168. The Economic Commission for Europe; Economic and Social Commission for Asia and the Pacific were represented at the session.

169. The following specialized agencies were represented at the session: International Labour Organisation; International Maritime Organization. The General Agreement on Tariffs and Trade was also represented.

170. The following intergovernmental organizations were represented at the session: Board of the Cartagena Agreement; European Economic Community; Ministerial Conference of West and Central African States on Maritime Transport; Organisation for Economic Co-operation and Development; Organization of African Unity; Union of African Shippers' Councils.

171. The following non-governmental organizations were represented at the session: General Category: International Bar Association; International Chamber of Commerce; International Organization for Standardization. Special Category: Baltic and International Maritime Council; Council of European and Japanese National Shipowners' Associations; European Shippers' Councils; Federation of National Associations of Forwarding Agents of Latin America and the Caribbean; International Chamber of Shipping; International Federation of Freight Forwarders' Associations; International Shipowners' Association; Multiport Ship Agencies Network.

E. Report of the Bureau on credentials

172. At the 159th (closing) meeting, on 29 June 1990, the Committee adopted the report of the Bureau on the credentials of all the representatives attending its fourteenth session (TD/B/C.4/335).

F. Provisional agenda for the fifteenth session of the Committee

(Agenda item 6)

173. At the 157th (closing) meeting, on 29 June 1990, the Chairman drew attention to the provisional agenda for the fifteenth session of the Committee which was the outcome of informal consultations.

Action by the Committee

174. At the same meeting, the Committee approved the provisional agenda for its fifteenth session (for the text, see annex II).

G. Other business

(Agenda item 7)

175. No matters were raised under this item.

H. Adoption of the report of the Committee to the Trade and Development Board

(Agenda item 8)

176. At the 157th meeting, on 29 June 1990, the Committee adopted its draft report (TD/B/L.176) and authorized the Rapporteur to complete the final version as appropriate.

ANNEXES

Annex I

RESOLUTIONS ADOPTED BY THE COMMITTEE ON SHIPPING AT ITS FOURTEENTH SESSION

64 (XIV). Economic co-operation among developing countries in the field of shipping, ports and multimodal transport

The Committee on Shipping,

Convinced of the important role of Economic co-operation among developing countries (ECDC) in the field of shipping, ports and multimodal transport in attaining the shipping policy objectives of developing countries,

Recalling Conference resolution 144 (VI) as well as Committee on Shipping resolution 53 (XI) and decision 63 (XIII) on economic co-operation among developing countries in the area of shipping, ports and multimodal transport,

1. Welcomes the report of the Group of Experts on Economic Co-operation among Developing Countries in Shipping, Ports and Multimodal Transport (TD/B/C.4/321-TD/B/C.4/AC.10/3) and calls upon Governments of developing countries to consider implementing, where appropriate, the recommendations made by the Group of Experts on Economic Co-operation among Developing Countries in Shipping, Ports and Multimodal Transport contained in the above mentioned report;

2. Invites shipowners, shipowners' associations and shippers of developing countries to create and/or strengthen the structures necessary to establish and improve operational co-operation among them;

3. Invites Governments of developing countries to continue to provide for an adequate framework promoting co-operative action among shipowners, shippers, ports and multimodal transport operators;

4. Invites national and international organizations concerned with economic and social development plans, and bilateral and multilateral funding organizations, to continue to give high priority in their programmes to projects and assistance in the area of shipping and multimodal transport;

5. Requests the Secretary-General of UNCTAD to assist, upon request, in the organization of regional and interregional meetings aimed at improving co-operation among Governments and economic operators in the area of maritime transport;

6. Further requests the Secretary-General of UNCTAD, in technical assistance activities, to place particular emphasis on activities fostering the further development of ECDC and promoting the implementation of the recommendations made by the Group of Experts on Economic Co-operation among Developing Countries in Shipping, Ports and Multimodal Transport;

7. Requests the UNCTAD secretariat:

(a) To monitor and prepare surveys of progress achieved by developing countries in their co-operation among themselves in shipping, ports and multimodal transport;

(b) To prepare for consideration, if possible at the fifteenth session of the Committee on Shipping, a report on the implementation of the recommendations as agreed among the experts and make, if appropriate, additional recommendations on how co-operation among developing countries could be improved further;

8. Requests the UNCTAD secretariat to collaborate closely with United Nations regional commissions as well as other subregional and regional organizations dealing with shipping, ports and multimodal transport in its work aimed at implementing ECDC as adopted by the Committee on Shipping;

9. Invites operators of shipping and multimodal enterprises, particularly from developed countries, to assist in solving operational problems of co-operation and to strengthen their co-operative programmes with operators of shipping and multimodal enterprises from developing countries.

157th meeting
29 June 1990

65 (XIV). Work Programme: Shipping policy, port development, international maritime legislation, technical co-operation and training, including work programme

The Committee on Shipping,

Recalling Conference resolution 144 (VI) of 2 July 1983 and Committee on Shipping resolutions and decisions 61 (XIII), 62 (XIII) and 63 (XIII) adopted by the Committee at its thirteenth session in March 1988,

Taking note of the report of the Group of Experts on Economic Co-operation among Developing Countries in Shipping, Ports and Multimodal Transport on its session in June 1989 (TD/B/C.4/321-TD/B/C.4/AC.10/3),

Taking note with appreciation of the documentation prepared by the UNCTAD secretariat as presented to the Committee on Shipping at its fourteenth session:

Shipping policy

I. Merchant fleet development

Concerned about increasing structural problems facing the shipping industry of developing countries,

Considering that continuing efforts should be made to promote an increasing participation of developing countries in the world maritime sector,

Further considering that such efforts should be directed in particular at assisting developing countries in meeting the challenges posed by ongoing structural and technological changes and developments in the maritime sector,

Aware of the need to assist developing countries in the process of adjustment of their maritime engagement to enable them to continue to adequately meet the transport requirements of the trading community,

1. Urges the international community, particularly developed countries, to endeavour to promote an increased participation by developing countries in world maritime and multimodal transport;

2. Urges the international community, particularly developed countries, to assist developing countries in meeting the challenges posed by ongoing structural and technological changes and developments in the maritime sector;

3. Requests the UNCTAD secretariat to analyse the ongoing structural and technological developments in the maritime sector and to identify the scale and nature of the technology gap experienced by developing countries and report thereon to the Committee on Shipping at its fifteenth session. The report should take into account industry developments in all sectors of maritime transport as well as changes in the shipping policy framework based on various national legislations and multilateral agreements. The report would identify measures which would aim at promoting the participation of developing countries by reducing the technology gap and adapting to new forms of transport organization;

4. Requests the UNCTAD secretariat to study prevailing ship financing arrangements and to assess their adequacy in meeting the requirements of developing countries and report the results to the Commitee on Shipping at its fifteenth session;

5. Requests the UNCTAD secretariat to continue to monitor the problem of the imbalance between supply and demand and make appropriate recommendations to the Committee on Shipping;

6. Instructs the secretariat, while recognizing that UNCTAD has fulfilled its mandate under Committee on Shipping resolutions 48 (X), 51 (XI), 57 (XII) and 62 (XIII), to continue monitoring closely developments in world shipping, giving special attention to world liner shipping developments, and to report thereon to the Committee on Shipping or, as appropriate, in its annual Review of Maritime Transport;

II. Protection of shippers' interests

1. Requests the UNCTAD secretariat to monitor institutional and market developments in liner shipping and their impact on shipper/shipowner relations and consultations and to report periodically to the Committee on Shipping on this matter. In this connection, the secretariat is requested to study the problems faced by shippers and shippers' organizations in consulting with conferences and shipping lines;

2. Requests the UNCTAD secretariat to continue to monitor developments in relation to the establishment and operation of effective consultation mechanisms for shippers organizations and to report thereon to the Committee on Shipping periodically;

3. Requests the UNCTAD secretariat to assist developing countries, upon request, with the establishment and operation of shippers' organizations which are capable of effectively assisting and advising shippers in their day-to-day commercial activities as well as consulting effectively with all relevant providers of transport services;

4. Requests the UNCTAD secretariat to assist, upon request, shippers organizations in developing countries to improve the effective operation of consultation machinery in liner shipping and to report thereon to the Committee on Shipping at its fifteenth session.

III. Maritime transportation of selected commodities and manufactured goods

1. Requests the UNCTAD secretariat to prepare, upon request, studies on the maritime transportation of selected commodities which are of particular interest to developing countries as well as to prepare studies which will analyse the impact of conditions of ocean transport services, particularly ocean freight rates, on exports of selected manufactured goods from developing countries, and on exports in trades between those countries, in order to provide them with information required for making appropriate decisions in this area.

IV. Implementation of United Nations Conventions in the field of shipping and multimodal transport

1. Requests the UNCTAD secretariat to continue to provide, within existing resources, assistance upon request to Governments concerning the implementation of Conventions adopted under the auspices of UNCTAD and to monitor progress made towards the ratification and implementation of the Conventions or their provisions and to report periodically thereon to the Committee on Shipping.

V. Trade in services

1. Requests the UNCTAD secretariat to monitor and to keep under review developments in trade in shipping services and related activities and to provide technical assistance to developing countries in the process of negotiations on trade in shipping services, in pursuance of Board decision 309 (XXX) and paragraph 105 (20) of the Final Act of UNCTAD VII.

VI. Ports development

1. Requests the UNCTAD secretariat to continue implementing the mandates already received in the field of ports, including training and technical co-operation, taking into account the recommendations that the Ad hoc Intergovernmental Group of Port Experts may wish to make in this field, and to report thereon to the Committee on Shipping at its fifteenth session.

VII. International maritime legislation

1. Recommends to States members of UNCTAD to urge the relevant commercial parties to utilize the services provided by the Maritime Advisory Exchange as a means of combating maritime fraud;

2. Invites member Governments and private enterprises, in a position to do so, to provide financial assistance to the Maritime Advisory Exchange in order to ensure its continued functioning;

3. Requests the UNCTAD secretariat to promote the services provided by the Maritime Advisory Exchange, to monitor its progress, and to report thereon to the Committee on Shipping;

4. Requests further the UNCTAD secretariat to continue monitoring the work on the subject of sea waybills, in both liner and tramp shipping, being carried out by the relevant international organizations and to report on the progress made to the Committee on Shipping at its fifteenth session.

VIII. Technical co-operation and training

Recognizing that the efficiency of ports, shipping companies and other partners in the maritime sector has a significant effect on the terms of trade and that decisions concerning the maritime sector can, particularly in the light of technological developments, affect the potential volume of trade of developing countries,

Being convinced that the training of Government officials, maritime administrators and managers of ports and shipping companies is a prerequisite for efficient planning and operations, notably the development of merchant marines, the establishment of multimodal transport operations, and the management of shipping companies, ports, shipping agencies, freight forwarding, etc.,

Noting from the recent external evaluations of the TRAINMAR and IPP Programmes the important contribution these programmes are making to meet the training needs of the developing countries,

Taking note with appreciation of the report "Evaluation of the technical co-operation programme in the field of maritime and multimodal transport" (TD/B/C.4/331 and Add.1) which was prepared in response to resolution 61 (XIII) of the Committee on Shipping and which provides useful and detailed information on the technical co-operation and training activities carried out by the secretariat during the period 1980-1988,

Being convinced that on-the-job training is an important complement to other training activities of UNCTAD, and noting the excellent co-operation between the International Chamber of Commerce's Centre for Maritime Co-operation (CMC) and other private-sector groups in establishing the JOBMAR programme based upon a cost-sharing approach,

Welcoming the initiative which UNCTAD, the ILO and IMO are taking to co-ordinate more closely their maritime training activities,

1. Expresses appreciation to UNDP and those donor countries which have provided financial support to UNCTAD's technical co-operation and training programmes and invites all potential donors to extend, if possible, their assistance so that as many countries as possible can benefit from these high-priority activities;

2. Requests the UNCTAD secretariat to maintain and, if possible, extend its training programmes, including the TRAINMAR, the IPP and JOBMAR programmes, within the resources available;

3. Requests the UNCTAD secretariat, in consultation with other international organizations, to continue to promote international co-operative mechanisms for the preparation and dissemination to all bodies involved of high-quality training materials in shipping, ports and multimodal transport and to take all measures necessary to implement as fully as possible the TRAINMAR Action Plan contained in paragraph 43 of TD/B/C.4/331;

4. Requests the UNCTAD secretariat to update and make available information on technical assistance, training activities and advisory services provided in the field of shipping, ports and multimodal transport and to evaluate the present and future need for training in these fields by developing countries;

5. Recommends that UNCTAD strengthen even further its collaboration with other agencies such as the ILO and IMO (including the World Maritime University) to ensure that developing countries obtain the maximum benefits from these organizations' scarce resources.

IX. Fifteenth session of the Committee on Shipping

1. Agrees that the major part of the fifteenth session of the Committee should be devoted to (i) UNCTAD's work programme and in particular its work programme in the field of multimodal transport, taking into account the findings and recommendations made by the group of experts set up by the Committee at its fourteenth session by resolution 67 (XIV); (ii) monitoring the current situation in world shipping and analysing the ongoing structural and technological developments in the maritime sector with a view to identifying the scale and nature of the technology gap experienced by the developing countries; (iii) the review of port activities of the UNCTAD secretariat, taking into account the results of the second session of the Ad hoc Intergovernmental Group of Port Experts, and to provide guidance to the secretariat taking into account the changing roles of ports in modern transport systems;

2. Instructs the UNCTAD secretariat to prepare the necessary documentation for the fifteenth session of the Committee on Shipping in strict observance of existing relevant Trade and Development Board resolutions as regards the number of main documents and their length.

157th meeting
29 June 1990

66 (XIV). Work programme: Maritime liens and mortgages

The Committee on Shipping,

Recalling Conference resolution 144 (VI) of 2 July 1983, which urged the early completion of the ongoing international negotiations in the field of maritime liens and mortgages,

Recalling further resolution 49 (X), adopted at the tenth session of the Committee on Shipping, which included the subject of maritime liens and mortgages in the work programme of the Working Group on International Shipping Legislation,

Recalling also resolution 6 (XI) of the Working Group on International Shipping Legislation adopted at its eleventh session which recommended the establishment of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects in order to review the existing International Conventions on Maritime Liens and Mortgages and related enforcement procedures, such as arrest,

Recognizing the importance of the subject of maritime liens and mortgages in ship financing and in the development of national merchant fleets, in particular those of developing countries,

Emphasizing the need for international uniformity and for the establishment of a widely acceptable legal instrument governing the subject of maritime liens and mortgages,

Bearing in mind that the existing international conventions on the subject of maritime liens and mortgages have not achieved the desired international uniformity,

1. Welcomes the final report of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects (TD/B/C.4/327-TD/B/C.4/AC.8/27) and endorses the recommendations contained therein;

2. Recommends to the Trade and Development Board that it recommend, in consultation with IMO, to the General Assembly, within existing resources, the convening of a conference of plenipotentiaries for the consideration and adoption of the draft convention on maritime liens and mortgages as contained in the final report of the Joint UNCTAD/IMO Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects.

157th meeting
29 June 1990

67 (XIV). Multimodal transport: Multimodal transport including work programme

The Committee on Shipping,

Recalling that the Trade and Development Board, in pursuance of Economic and Social Council resolution 2098 (LXIII) and General Assembly resolution 32/206, had decided to entrust the work on the global aspects of multimodal transport and containerization, wherever there is a sea link, to the Committee on Shipping,

Noting with appreciation the work carried out by the UNCTAD secretariat in pursuance of decision 36 (IX) of the Committee on Shipping (Programme of work of the Committee in the field of multimodal transport and containerization) and decision 47 (X) as well as Committee on Shipping resolutions 55 (XI), 60 (XII) and 61 (XIII),

Having reviewed the report by the UNCTAD secretariat entitled "Inventory of existing mandates and new draft programme of work in the fields of multimodal transport and technological development" (TD/B/C.4/323),

Being aware of the importance of the developments in multimodal transport and containerization for international shipping,

Recognizing the need to monitor developments in the fields of multimodal transport and containerization, due to the rapid pace of structural and technological changes in these areas,

Welcoming the work undertaken by UNCTAD in collaboration with ICC in preparing the UNCTAD/ICC draft rules for multimodal transport documents,

Recognizing the need to avoid the widening gap between the developed and developing countries with regard to the implementation of multimodal transport and electronic data interchange, the implications of the emerging trends towards the creation of mega multimodal transport operators, container lessors and the use of larger than current ISO standard containers,

1. Requests the Secretary-General of UNCTAD:

(a) To convene during 1991, within available resources, a group of experts for one week:

(i) To discuss developments in the field of multimodal transport and containerization wherever there is a sea link;

(ii) To take stock of the principal problems that are experienced by users and providers of multimodal and/or container transport operations wherever there is a sea link; in doing so, the experts should pay due account to problems identified by UNCTAD as rendering the introduction of modern transport technology difficult in developing countries, in particular:

- inadequate transport infrastructure;

- non-availability of investment;

- lack of expertise of qualified operators;

- lack of necessary information of officials concerned;

- inadequate legislation such as customs regulations;

- unbalanced flow of container traffic; and

- reducing the technology gap between developed and developing countries with regard to implementation of multimodal transport and electronic data interchange;

(iii) To suggest elements of a future programme of work for the Committee in the field of multimodal transport and containerization wherever there is a sea link, bearing in mind that a major objective is to assist in practical terms multimodal transport operators and the multimodal transport of goods of developing countries;

(b) To select, in accordance with the usual principles of geographical distribution, 19 countries, which shall propose experts, from among whom the Secretary-General of UNCTAD will appoint 19 experts, also in accordance with the usual geographical distribution, to participate in the group of experts in their personal capacity. They should include representatives of shippers/shippers' organizations, multimodal transport operators, shipowners and government officials. Observers representing sectors mentioned above and being directly involved in multimodal transport operations and containerization as well as representatives of intergovernmental organizations and United Nations regional commissions may attend the meeting of the group of experts;

(c) To make available for such a meeting of the group of experts full conference facilities including one six-language team of interpreters;

2. Adopts its programme of work in the short term:

(a) To monitor trends in multimodal transport and containerization and the technological developments in these fields, and to keep Governments abreast of such developments;

(b) To review UNCTAD's activities in technical co-operation and training related to shipping and multimodal transport operations and to make appropriate recommendations to Governments;

(c) To review the work and recommendations of the group of experts;

(d) To review the studies of the UNCTAD secretariat in the field of multimodal transport and containerization requested in paragraph 3 below and make recommendations to Governments and commercial parties if appropriate, bearing in mind:

(i) The effects on developing countries of the establishment of very large multimodal transport operations;

(ii) The modernizing and upgrading of freight forwarding services into efficient multimodal transport services;

(iii) The development of multimodal transport services into physical distribution systems;

(iv) The evaluation of the impact of new container dimensions on the economies of developing countries in co-operation with ISO and the United Nations regional commissions;

(e) To decide at the fifteenth session of the Committee on Shipping on its future work programme in this area;

3. Requests the UNCTAD secretariat, in order to facilitate the work of the group of experts, to make available to the group of experts:

(a) The relevant documentation prepared and made available to the Committee on Shipping at its fourteenth session;

(b) A report on practical problems faced by Governments and commercial parties involved in multimodal transport and/or container operations, including the possible effects of mega multimodal transport operators on the total distribution systems in the context of multimodal transport from and to developing countries;

(c) A study on the effects of EDI and EDP on transport organizers and shippers, consignees, terminal operators and customs authorities of developing countries and the obstacles they are facing with the introduction of EDI and EDP, in co-operation with relevant organizations such as IMO and the Economic Commission for Europe;

(d) A study of the problems and requirements in both shipping and multimodal transport that arise from the broad economic reforms and restructuring of selected countries;

(e) A manual containing the basic concepts of multimodal transport for officials and practitioners;

(f) A study on block train services in multimodal transport wherever there is a sea link;

4. Requests the Secretary-General of UNCTAD to make available the proposals and recommendations made by the group of experts to the Committee on Shipping at its fifteenth session for further consideration in order to enable the Committee on Shipping to adopt at that session its future programme of work in the field of multimodal transport and containerization wherever there is a sea link;

5. Invites States members of UNCTAD which have not yet become contracting parties to the United Nations Convention on International Multimodal Transport of Goods and the United Nations Convention on the Carriage of Goods by Sea, 1978 (Hamburg Rules) to consider ratifying or acceding to those Conventions;

6. Calls upon the Governments of developing countries to give high priority to the development of programmes relating to the establishment and strengthening of national multimodal transport systems and the development of electronic data interchange and other technologies relating to multimodal transport;

7. Instructs the UNCTAD secretariat to take part in meetings at the International Organization for Standardization's Technical Committee 104, in order to monitor the developments concerning the "new generation" containers, and to ensure that developing countries' views are adequately taken into account;

8. Requests the UNCTAD secretariat, in co-operation with ISO and the United Nations regional commissions, to study the trends in the change of dimensions of containers in use and the impact of the introduction of such new container dimensions on the economies of the developing countries, taking into account the interests of all parties concerned. The study should include an economic, social and environmental analysis and an evaluation of possible costs and benefits which might result from the introduction of such containers. Pending the completion of the study, the Committee expresses reservations about the introduction of non-ISO standard containers.

157th meeting
29 June 1990

Annex II

PROVISIONAL AGENDA FOR THE FIFTEENTH SESSION OF THE COMMITTEE a/

1. Election of officers

2. Adoption of the agenda and organization of work

3. Structural and technological developments in the world maritime sector

4. Multimodal transport and ports

5. Work programme

6. Provisional agenda for the sixteenth session of the Committee

7. Other business

8. Adoption of the report of the Committee to the Trade and Development Board.

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a/ As approved at the 157th meeting on 29 June 1990.

Annex III

CHECKLIST OF DOCUMENTS

Symbol	Title	Agenda item
TD/B/C.4/322	Provisional agenda, annotations to the provisional agenda and suggestions for the organization of the work of the Committee Note by the UNCTAD secretariat	2
TD/B/C.4/323	Inventory of existing mandates and new draft programme of work in the fields of multimodal transport and technological development Report by the UNCTAD secretariat	3
TD/B/C.4/324	Economic co-operation among developing countries in the field of shipping, ports and multimodal transport: Overview of recent developments Report by the UNCTAD secretariat	4
TD/B/C.4/325	Review of the Work Programme of the Committee Report by the UNCTAD secretariat	5
TD/B/C.4/327 TD/B/C.4/AC.8/27	Final Report of the Joint Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects	5
TD/B/C.4/331 and Add.1	Evaluation of the technical co-operation programme in the field of maritime and multimodal transport Report by the UNCTAD secretariat	-
TD/B/C.4/332	Experiences in freight rate negotiations Report by the UNCTAD secretariat	5
TD/B/C.4/333	Imbalance between supply and demand in world shipping Report by the UNCTAD secretariat	5
TD/B/C.4/335	Report of the Bureau on Credentials	-
TD/B/C.4/L.176	Draft Report of the Committee on Shipping on its fourteenth session	8
TD/B/C.4/L.177	Draft resolution submitted by the Chairman on maritime liens and mortgages	5

Symbol	Title	Agenda item
TD/B/C.4/L.178	Draft resolution submitted by the Chairman on economic co-operation among developing countries in the field of shipping, ports and multimodal transport	4
TD/B/C.4/L.179	Draft resolution submitted by the Chairman on Work Programme	5
TD/B/C.4/INF.42	List of participants	-

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